

EXECUTIVE ORDER NO. 190

DIRECTING THE DEPARTMENT OF BUDGET AND MANAGEMENT TO REMIT DIRECTLY THE CONTRIBUTIONS AND OTHER REMITTANCES OF LOCAL GOVERNMENT UNITS TO THE CONCERNED NATIONAL GOVERNMENT AGENCIES (NGA), GOVERNMENT FINANCIAL INSTITUTIONS (GFI), AND GOVERNMENT OWNED AND/OR CONTROLLED CORPORATIONS (GOCC)

WHEREAS, the social-security and insurance program of the Government is recognized as a source of social benefits for all government personnel;

WHEREAS, benefits under the program become meaningful and can serve the purpose intended by the law only if such social benefits are paid in the right amounts to the rightful claimants when they fall due;

WHEREAS, it has been reported that the compulsory contributions to the System are not remitted on time as mandated by existing laws and most often LGU personnel cannot avail for themselves some of the benefits under the System for non-remittance by some LGUs of both the employer and the employee's contribution;

WHEREAS, in addition to the arrearages on GSIS remittances, many LGUs have incurred unreasonable delays in the remittance of the required contributions for Pag-IBIG, the Employees' Compensation Insurance Premium (ECIP), Health Insurance Fund, and the BIR authorized withholding tax; and

WHEREAS, the expeditious settlement of these arrearages and delayed remittance depends to a large measure on some extra effort that will ensure prompt payment of the contributions and remittances to concerned government agencies, GFIs, and GOCCs.

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law and the Constitution, do hereby order the following:

SECTION 1. The Department of Budget and Management shall remit directly to the Government Service Insurance System quarterly the local government unit's shares as well as the employee contributions due under Republic Act No. 8291, Republic Act No. 6111 and Presidential Decree No. 626, as amended.



SECTION 2. The amount corresponding to the said premium contributions shall be deducted from the Internal Revenue Allotment (IRA) of Local Government Units concerned.

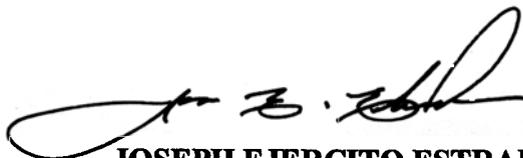
SECTION 3. The outstanding compulsory contributions and other remittances of LGUs due the concerned government agencies, GFIs, and GOCCs shall likewise be deducted from the IRA of LGU concerned.

SECTION 4. For the effective implementation of this Order, the concerned national government agencies, GFIs and GOCCs may enter into an appropriate Memorandum of Agreement with the DBM. The Local Government Units shall submit to the DBM a list of their existing personnel covered under the Insurance System, the individual contributions (government and employee share), together with the list of delayed remittances due the national government agencies, GFIs, and GOCCs. Failure of the LGU officials and/or employees to submit such listing and other requirement shall be a basis for appropriate disciplinary action and sanction.

SECTION 5. For the guidance of all local government units and to ensure full compliance of this Order, the Department of Budget and Management shall issue the necessary implementing rules and regulation for the purpose.

SECTION 6. This Executive Order shall take effect on January 1, 2000.

DONE, in the City of Manila, this 21st day of December, in the Year of Our Lord, Nineteen Hundred and Ninety Nine.



JOSEPH EJERCITO ESTRADA

By the President:



RONALDO B. ZAMORA
Executive Secretary



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